

MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting

Lansing, Michigan

November 28, 2007

Pursuant to Section 31 of Act 327 of the Public Acts of 1945, the Commissioners of the Michigan Aeronautics Commission (MAC), created by said act, met in the Michigan Aeronautics Auditorium on Wednesday, November 28, 2007, commencing at the hour of approximately 10:00 a.m.

Members Present

Joyce Woods, Chair

Sidney Adams, Jr., Vice Chair

James Collins, Commissioner

Terry Everman, Commissioner

J. William Prochazka, Commissioner

Leon Hank, Designee - MDOT

Dennis Fedewa, Designee – MDNR

Richard Elliott, Designee – DMVA

Daniel Atkinson, Designee - MSP

Rob Abent, Commission Director

Absent

Pat Isom, House Counsel

Also Present

Tony Gilbert, Duncan Aviation

Dana Debel, Northwest Airlines

Staff

Barbara Burris, Executive Division

Rick Hammond, Airports Division

Stuart Lindsay, MDOT Planning

Pauline Misjak, Aviation Services

Gerry Edwards, Aviation Services

Mark Noel, Airports Division

A list of all others present is attached to the official minutes.

I. OPENING REMARKS

The November 28, 2007, Aeronautics Commission meeting was called to order by Chair Joyce Woods at 10:05 a.m. She welcomed the many guests in attendance and extended a special welcome to Tony Gilbert, Vice President of International Marketing for Duncan Aviation.

For the record, the Chair noted the absence of House Counsel Pat Isom; that all members of the Aeronautics Commission were present.

The Chair segued to the first item on the agenda, a matter of unfinished business from the meeting held September 19, 2007.

II. PRESENTATIONS

In 1990, the Michigan Aeronautics Commission established an annual award program known as the MAC Awards of Excellence. Each year, the Aeronautics Commission recognizes one individual and one group for their outstanding achievements and/or contributions to aviation.

In September, at Boyne Falls, the MAC recognized Mr. Harvey Setter, former executive director of the Michigan Association of Airport Executives, with the individual award.

The Chair asked Messrs. Dan Monette and Howard Dillman to come forward to receive the “group award.”

(Chairman Woods:) The Award of Excellence is presented to Lansing Community College, Aviation Technology Program, “in recognition of 3 decades of professional aviation training, community service, youth camps, the Team Michigan Concept, and Aviation/Aerospace Teachers Workshops.”

“Your efforts ensure that aviation in Michigan will prosper for future generations.” (Applause.)

Director Abent praised LCC as an advocate and partner in advancing aviation in Michigan.

III. COMMISSION BUSINESS

Turning to the first order of business, the Chair entertained a motion for approval of Exhibit A, the Minutes of September 19, 2007, subject to any changes or corrections.

A. Minutes of September 19, 2007

It was moved by Commissioner Adams, with support from Commissioner Prochazka, to approve the minutes of September 19, as transcribed. The MOTION CARRIED.

The Chairman called on Airports Administrator Rick Hammond to present the 24 airport improvement projects pending Commission approval.

Mr. Hammond noted that all the transfers were for old-year money (2005-2007) from projects that came in under budget. Funding for 2008 is still pending.

B. Federal/State/Local Projects

Airport Name & Associated City/County	Project Description	Federal \$	State \$	Local \$	Total \$
Padgham Field Allegan	Rwy 10/28 realignment/extension to 4300 feet w/parallel taxiway; rehab connector taxiway; apron expansion	1,840,000	402,500	57,500	2,300,000
Ann Arbor Municipal Ann Arbor	Supplemental transfer for SRE building and hangar taxistreet construction	168,291	36,814	5,259	210,364
Antrim County Bellaire	Approach Clearing for Rwy 2/20	132,000	28,875	4,125	165,000
Southwest MI Regional Benton Harbor	Land acquisition for Parcel 378, Area 3 & Area 4 Phase 1; update Exhibit A	2,250,000	59,210	59,211	2,368,421
Southwest MI Regional Benton Harbor	Approach survey for Rwy 9/27; FAA reimbursable agreement	472,000	103,250	14,750	590,000
Fitch H. Beach Municipal Charlotte	Crack sealing; paint marking; land acquisition for Rwy 20 RPZ & Approach protection; update Exhibit A; rotating beacon & airfield signage improvements	154,855	33,875	4,839	193,569
Coleman A. Young Municipal Detroit	Land acquisition (French Road mini-take parcels) reimbursement	1,581,250	345,899	49,414	1,976,563
Dow Memorial Frankfort	Airport User Survey	17,600	3,850	550	22,000

Airport Name & Associated City/County	Project Description	Federal \$	State \$	Local \$	Total \$
Grand Haven Memorial Grand Haven	Land acquisition for Rwy 27 approach protection; update Exhibit A; Tree clearing for Rwy 27; fencing along 160 th Ave (east); crack sealing; design of corporate hangar	160,000	35,000	5,000	200,000
Abrams Municipal Grand Ledge	Rwy 9 RPZ easement acquisition (parcels 9 & 10); update Exhibit A; update Environmental Assessment	67,531	14,772	2,111	84,414
Hillsdale Municipal Hillsdale	Design of Rwy 10/28 reconstruction, widening & extension (5000'x100'); bury power lines Lake Pleasant Rd; stream relocation design/analysis	260,000	56,875	8,125	325,000
Ford Airport Iron Mountain	Supplemental transfer for perimeter fencing improvements (approx 2,600 feet)	60,000	13,125	1,875	75,000
Marlette Township Marlette	Land acquisition for Rwy 1 extension & approach protection	400,000	87,500	12,500	500,000
Mt. Pleasant Municipal Mt. Pleasant	Terminal bldg expansion; paint marking; crack sealing; update Exhibit A	206,978	45,277	6,468	258,723
Oakland/Southwest New Hudson	Environmental Assessment for RSA grading & drainage ditch enclosure	64,000	14,000	2,000	80,000
Jerry Tyler Memorial Niles	Rehabilitation of RWY 32 end	152,000	33,250	4,750	190,000
Owosso Community Owosso	Supplemental transfer for parcel 64 (Sascon) acquisition	36,400	7,962	1,138	45,500
Whitefish Township Paradise	Environmental Resource Inventory	0	72,000	8,000	80,000

With respect to the project at Paradise, Mr. Hammond noted that an airport currently does not exist in this area. However, the Michigan Aviation System Plan (MASP) provides for an airport in the area, and the local township is requesting participation to establish one. A bill has been introduced in the Senate to transfer this DNR property. The project (pending Commission approval) is for an environmental inventory of the property to determine whether airport usage would be compatible.

At this juncture, Commissioner Fedewa asked to be recognized to present the Department of Natural Resources' position on the project.

The Chairman advised that the project could be revisited upon completion of the total project

list.

Oakland County Int'l Pontiac	Design of new terminal building	0	201,500	201,500	403,000
Romeo State Romeo	New terminal building	0	150,000	150,000	300,000
Sault Ste Marie-Sanderson Sault Ste. Marie	Local supplemental for terminal apron expansion	0	0	68,000	68,000
South Haven Area Regional South Haven	Land acquisition (parcels E34- E39) & approach clearing for Rwy 22	150,000	32,812	4,688	187,500
Statewide	Community Benefit Assessment (purchase of software updates)	5,700	300	0	6,000
West Branch Community West Branch	Design of Rwy 9 safety area improvements and stream relocation	41,600	9,100	1,300	52,000
Totals		8,220,205	1,684,502	673,103	10,681,054

The Chair opened the floor for questions from the Commissioners on the projects.

With respect to the Dow Memorial Airport project, Commissioner Everman inquired as to the context of the Airport User Survey.

Mr. Hammond explained that the survey would query the current users of the airport, determining who they are, what types of aircraft they use, and the potential for additional users. It will ask the question, if the approaches were cleared, would you use the airport more, and what types of aircraft would you use. He added, upon follow-up, that the airport is not satisfied that existing data is accurate and up to date. The concern is that the current users of the airport may not require the full extent of the runway and/or necessitate additional clearing of the approaches.

Commissioner Fedewa added that oftentimes an entity will want a third party to determine what the actual baseline usage of a facility is. He asked whether this was part of the equation, and Mr. Hammond responded affirmatively.

With the pending transfer in mind, Chairman Woods inquired as to the timeframe for the completion of the survey. Mr. Hammond responded that the process is estimated to take three to six months.

Commissioner Prochazka inquired whether a tenant was already in place for the proposed corporate hangar at the Grand Haven Airport. Mr. Hammond was unable to respond affirmatively. He noted, however, that the hangar would be locally owned.

There being no further questions on the balance of the projects, the focus turned to the project at Paradise.

Commissioner Fedewa indicated that the DNR considers itself a full partner with the Department of Transportation and the Aeronautics Commission in supporting national and state plans for serving underutilized areas. He noted there are problematic concerns associated with the project. Senate Bill 558, introduced by Sen. Jason Allen, basically transfers the property to the township for \$1.00 – a primary concern for the DNR. An additional concern relates to the environmental basis and what is at risk for this particular property located squarely in the middle of state forest land. The DNR has completed an extensive review process to determine, by tiers, which properties are essential to the department's mission, which ones are not, and which properties should be disposed of to local units of government, conservation groups, or sold to the public at large. It was determined early on that the property in question would be in the first tier and retained as essential to the forestry program. In addition, with its migratory flyway, it is considered an essential habitat for bird migrations.

The DNR also has concerns over the transfer of the property for \$1.00. He indicated that most of the property was acquired through the fish and game fund (license fees from hunting and fishing) or federal grant money; that due to the nature of its purchase, it falls under the auspices of assent legislation. This, he clarified, means that if the department received \$1.00 of federal money, the federal government may restrict those funds to their intended purpose and the department may not divert same. For that reason, he cautioned, the DNR could conceivably lose all federal dollars that have been awarded in the past by violating the assent legislation.

A third and lesser concern has to do with the snowmobile trail that courses through the property, which would require relocation. A current proposal places it alongside the runway and thereby poses potential security issues. The bill was scheduled for Senate hearing this week, but the hearing has been postponed. The DNR, as the lead agency on the bill, has conveyed its concerns to Sen. Allen, and a meeting with Sen. Allen is scheduled in the near future to allow the DNR an opportunity to voice its concerns. He asked the Aeronautics Commission to table any immediate action on the transfer until the concerns cited can be addressed.

The Chairman, an avid bird watcher herself, speculated that there would likely be some way to accommodate compatible land use and the significant need for an airport. She entertained a motion to approve all transfers, with the exception of Paradise, thus allowing the DNR more time to work on options to address the Paradise issues.

Whereupon it was moved by Commissioner Collins, with support from Commissioner Prochazka, to approve all transfers (23 in total) except Paradise, and postpone any further discussion on Paradise until the meeting scheduled for January 30. By unanimous voice vote, the MOTION CARRIED.

Commissioner Hank interjected with a question to Commissioner Fedewa regarding the approximate value of the land.

Commissioner Fedewa indicated that the land is not considered swamp land, even though the

property is surrounded by swamp land. He noted there are valuable timber stands on the property. The land is state forest, which is used for income production, and is part of the department's forestry management mission. The Commissioner offered to supply a dollar figure at a later date.

To a follow-up, Commissioner Fedewa advised that the department would require market value for the land, at a minimum, for conversion.

Director Abent inquired whether the department would be willing to release the land for fair market value.

Commissioner Fedewa responded that the Tier 1 boundary issue is a fundamental concern because it would require dissection of the state forest area; that the DNR would have to take a serious look at whether this would be problematic. He noted that the bill was put into the legislative process rather abruptly and that much discussion remains.

There being no other discussion regarding the Paradise project, the Chair proceeded to the off-agenda item.

Loan Request – Hart-Shelby, Oceana County Airport

The Chair directed Commission attention to a loan request placed before them prior to the start of the meeting. Oceana County has requested a loan for \$31,500, which would be used to supplement costs associated with an environmental assessment and land acquisition at the Oceana County Airport. The loan has been approved by the Michigan Department of Treasury, upon examining the fiscal health of the airport authority. The loan requires unanimous approval from the Commission.

The Chairman entertained a motion to approve the \$31,500 loan requested by Oceana County.

Whereupon it was moved by Commissioner Adams, with support from Commissioner Collins, to approve the loan request from Oceana County. By unanimous voice vote, the MOTION CARRIED.

The Chair recalled Mr. Hammond to brief the Commission on the four supplemental transfers approved post September 28 by Director Abent.

Supplemental Transfers

Mr. Hammond described the four supplemental transfers included in the Reports Section of the Commissioners' notebooks:

Dowagiac, Dowagiac Municipal: A three (2.86) percent increase in federal/state/local funds has been approved to cover the cost of additional drainage improvements associated with the

taxiway, earth excavation and mulching. The original project cost of \$315,000 has been increased by \$9,000, bringing the total project cost to \$324,000.

Iron Mountain, Ford Airport: A fifteen (15) percent increase in federal/state/local funds has been approved to cover costs associated with additional drainage improvements to the east ravine. The original project cost of \$97,008 has been increased by \$14,551, bringing the total project cost to \$111,559.

Jackson, Jackson County – Reynolds Field: A fourteen (13.8) percent supplemental increase in federal/state/local funds has been approved for the additional costs associated with the wetland credit bank purchase for runway 14/32. The acreage figure given on July 25, 2007, was incorrect as it did not include the mitigation multiplier ratio. The original project cost of \$234,750 has been increased by \$32,500, bringing the total project cost to \$267,250.

Mt. Pleasant, Mt. Pleasant Municipal: A six (5.6) percent increase in federal/state/local funding has been approved for additional costs associated with the bituminous pavement work item quantities for the apron expansion and actual costs for design and construction engineering services. The original cost of \$195,225 has been increased by \$11,000, bringing the total project cost to \$206,225.

No official action is required on the supplementals.

The Chair opened the floor for questions. Hearing none, she transitioned to the next item on the agenda:

C. 2008 MAC Meeting Schedule

The Chair directed the Commissioners' attention to Exhibit C in their notebooks, the schedule for meetings in 2008. She noted that all meetings would be held in Lansing, with the exception of September 17th, which will be held in Mt. Pleasant in conjunction with the Michigan Association of Airport Executives' fall conference. In addition, the March meeting is scheduled to coincide with the State Transportation Commission meeting, beginning at 9:00 a.m., on Thursday, March 29. Pending any objections to the schedule, the Chair entertained a motion to approve the 2008 meeting schedule.

Commissioner Adams pointed out that Commission Bylaws call for four meetings in Lansing and two outstate meetings. He asserted that an exception to the Bylaws would be needed in order to approve the proposed schedule for 2008.

The Chairman noted that additional meetings had been scheduled to be held offsite in 2007 and were cancelled due to the state budget crisis. She advised that it would be prudent to continue this same practice for the upcoming year, subject to any alternative suggestions. She added that there may be opportunities for the Commissioners to visit individual airports as opposed to having a meeting with all the set-up of a formal meeting.

She entertained a motion to approve the proposed schedule for 2008.

It was moved by Commissioner Prochazka, with support from Commissioner Collins, to approve the 2008 MAC Meeting Schedule as presented, notwithstanding the “two offsite meetings rule.” By unanimous voice vote, the MOTION CARRIED.

At this juncture, the Chairman opened the floor for public comment.

IV. PUBLIC COMMENT

Mr. James Koslosky, Director of Aeronautics, Gerald R. Ford International Airport, and Chairman of the Legislative Committee for the Michigan Association of Airport Executives addressed the Commission.

He advised of the MAAE’s continuing concern over federal funds for airport projects being mired in the Capital Outlay bill, which is stalled in the legislative process. As a result, Michigan’s airports do not yet have a capital program for FY 2008, a situation similar to that of 2007, and a threat to the 2008 construction season. He asked for Commission support to: 1) get the Capital Outlay bill moving and approved; and 2) get airport funding stripped from the Capital Outlay bill. He stressed that AIP funding should be part of the Transportation fund, similar to all other transportation modes, and not tied to the Capital Outlay bill.

Commissioner Hank interjected that the Department of Transportation, in conjunction with the Budget Office, has been discussing the pros and cons of removing the AIP funding legislation from the Capital Outlay bill for a number of years. The Department will continue to work on this issue.

Mr. Koslosky inquired whether the response would involve a legislative effort or an Administrative directive from the Governor’s Office.

To effectively move the aeronautics budget from the capital outlay bill to the MDOT budget bill, Commissioner Hank suggested the industry may need to talk with both legislators on the Capital Outlay and Transportation committees and with the administration about the issue. He said that MDOT has recommended to the state Budget Office that the aeronautics budget be included in the department's budget bill, arguing that the aeronautics program is similar in nature to the road and bridge program which is in the MDOT budget. Hank asked Director Abent if he had other insight on this issue.

Director Abent thanked Mr. Koslosky for his advocacy on behalf of the state system of airports and airport funding. He conceded that the issue as it relates to funding is a bit complicated as it involves political and procedural issues. The Department is optimistic that this can be worked out.

Commissioner Fedewa echoed the sentiments of Commissioner Hank. He noted that the concern is not limited just to the Department of Transportation and the Capital Outlay projects it administers, as the DNR also has Capital Outlay projects and grants pending to local units of government, in the case of land acquisition for public recreation, for example. The DNR's funds are mired in the administrative/political processes as well.

He suggested one way to approach the problem would be to address the need for timeliness; that there is no constraint on state government, rather there is constraint on local units anticipating funding for capital improvements. He concluded that departments could do a better job in articulating what's at risk and how it impacts on local districts.

The Chairman concurred with the timeliness aspect and noted that now, rather than later, is the time to initiate action.

There being no further requests for comment, the Chair transitioned to the next item on the Agenda: Reports. She recalled Mr. Hammond to introduce this item.

V. REPORTS

A. Michigan Airport System Plan

Mr. Hammond introduced Stuart Lindsey of the Bureau of Planning. Mr. Lindsey spearheaded recent efforts to update the Michigan Aviation System Plan (MASP) and had been slated to introduce this item.

The MASP 2000, adopted by the Aeronautics Commission in 2001, is a plan that the bureau relies on heavily in disbursing funds to areas where the need is greatest. A steering committee task force, chaired by Commissioner Collins and representing aviation interests statewide, was formed for purposes of updating the MASP, which Mr. Hammond noted "was designed to be updated."

The Plan, considered an asset management tool, is a joint effort between the Bureau of Transportation Planning and the Airports Division, which puts it into practical use in the disbursement of dollars. Using the MASP, staff are able to look at the statewide airport system plan in a variety of ways. From an overview of the system itself, staff are able to determine where critical needs are for certain service areas of the state and which airports serve those service areas best. The MASP identifies goals and objectives, the system of airports that best responds to them, and provides direction for the appropriate development of airport facilities. All approximately 240 public-use airports in the state were categorized into tiers based on the airport's ability to respond to identified state system goals.

When projects are state/local, nonfederal projects, an evaluation is made based on the MASP to determine an eligibility score. Justification of the project follows using established thresholds,

such as the number of operations, and so forth. For state/local projects only, the airport must have a general utility or public use status. Based on the MASP, the state ranks airports as basic utility (the smallest airports, including grass strips)/limited use; general utility (which encompasses most general aviation airports); and air carrier airports. Airports must be rated as general utility, at a minimum, to receive state/local funding.

Once eligibility and justification have been determined, the airport must submit an airport layout plan (ALP). A project that is already included in an ALP has received some level of approval as far as the use of the property and most projects will need some sort of environmental clearance, in accordance with established criteria. Staff will also look at whether additional land or easements are needed to accomplish the project and will proceed to the design of the project. All of the items noted may be included in a request to the Commission for funding of a particular project or individually addressed. Staff will match the funding dollars available to the projects, determine eligibility for a particular funding year, and match the funding source from the various programs available.

Funding for projects is determined by looking at the categories of funds available to each airport: entitlements (federally eligible airports), state apportionment (federally eligible airports), discretionary (federally eligible airports), or state funds (all eligible airports). Michigan competes with other states for discretionary dollars.

Mr. Hammond proceeded through a series of slides designed to instruct the Commissioners on the particulars of the MASP. The plan will align with the State Long-range Transportation Plan. A draft update, expected to be completed by March 2008, will be presented to the Aeronautics Commission for Commission approval.

The Chair opened the floor for questions.

Director Abent noted that the goal for presentation of the plan is March 27, the date of the joint meeting between the MI Aeronautics Commission and the State Transportation Commission. He thanked Mr. Hammond and Mr. Lindsey for their extraordinary efforts regarding the update.

The Chair highlighted the relevancy of the MASP. She next called on Jim Koslosky, Director of Aeronautics, Gerald R. Ford International Airport, for an update on the airport.

B. Gerald R. Ford International Airport

In 1992, the Kent County Department of Aeronautics completed a comprehensive Airport Master Plan update that called for numerous improvements for alignment with the Michigan Airport System Plan and the National Plan of Integrated Airports.

Mr. Kozlosky highlighted major accomplishments at the airport (all designed to ensure the airport meets the needs of west Michigan), starting with the acquisition of 12 acres of land (the airfield was completely redeveloped to current federal standards); a new north-south 8500-foot

runway; a new air cargo and trade center (currently fully occupied); redevelopment and remodeling of the passenger terminal building; three parking lot expansions; redevelopment of the general aviation facility, including apron areas (a third FBO will be added this year); and, in partnership with the Kent Intermediate School District, the development of a high school aviation training program, including two hangars, that will provide introductory training in air frame and power plant mechanics. The airport, he noted, is a multi-faceted facility.

The last piece of the proposed improvements – reaffirmed in the 2004 Master Plan update – is the construction of a new parking ramp. The main lot is running continuously at 100 percent capacity. Remote lots are around 60 percent. The 2004 Master Plan update indicated that 11,000 spaces would be needed by the year 2023. With a complete build-out on surface lots, a decision was made to go vertical. Construction of the new parking structure will entail a complete facelift to the front of the terminal, all new roadway systems, new utilities, streetscape and landscaping, canopy, and numerous security features. The plan will include a 4900-space parking garage in front of the terminal to meet current and long-term demands. Financing for the project is 100 percent local and is estimated to be \$118 million. The project will be financed through car rental fees, airport reserves, and 30-year bonds; it will be totally self supporting. Groundbreaking for the project took place in September and is anticipated to take two years. Mr. Koslosky asked for the public's indulgence during the construction phase.

At this juncture, Mr. Koslosky shared an animated architectural video of the new parking facility. He invited all in attendance to Grand Rapids in October 2009 for the grand opening of the terminal area parking improvement program. He added that an additional \$500,000 will be invested to convert the transit facility to a multi-modal facility that will interface with local transit agencies. He observed that the program is an ambitious one but things are getting done. (Applause.)

There being no questions of Mr. Koslosky, the Chairman called on Director Abent for a report.

C. Director's Report

Preliminary to his report, Director Abent congratulated Commissioner Collins on his successful open-heart surgery.

Director Abent recognized two bureau employees; Lisa Simmer and Betsy Steudle (photos projected on screen), who were recently recognized by the FAA for closing out old and outdated accounts. Likewise, Leanne Hengesbach (photo projected) was honored with a "Simply Super Service Award" for her efforts in the finance area as well.

He recognized belatedly the attendance of Dana Debel, Director, State and Local Government Affairs, Northwest Airlines, and thanked her for her participation.

Director Abent announced the upcoming executive board meeting and legislative luncheon immediately following the meeting of the Commission.

He advised that staff of the bureau would be attending the Great Lakes Regional Airport Conference in Chicago for training in regard to the state block grant program. He added that the Great Lakes International Aviation Conference will be held February 1 and 2, in Troy. Commissioners wishing to attend should make arrangements through Barb.

There being no further business to come before the Commission, the Chairman announced that the next regular meeting will be held on Wednesday, January 30, 2008.

She declared the meeting adjourned.

The meeting adjourned at approximately 11:20 a.m.

Director

Chairman

Dated: _____